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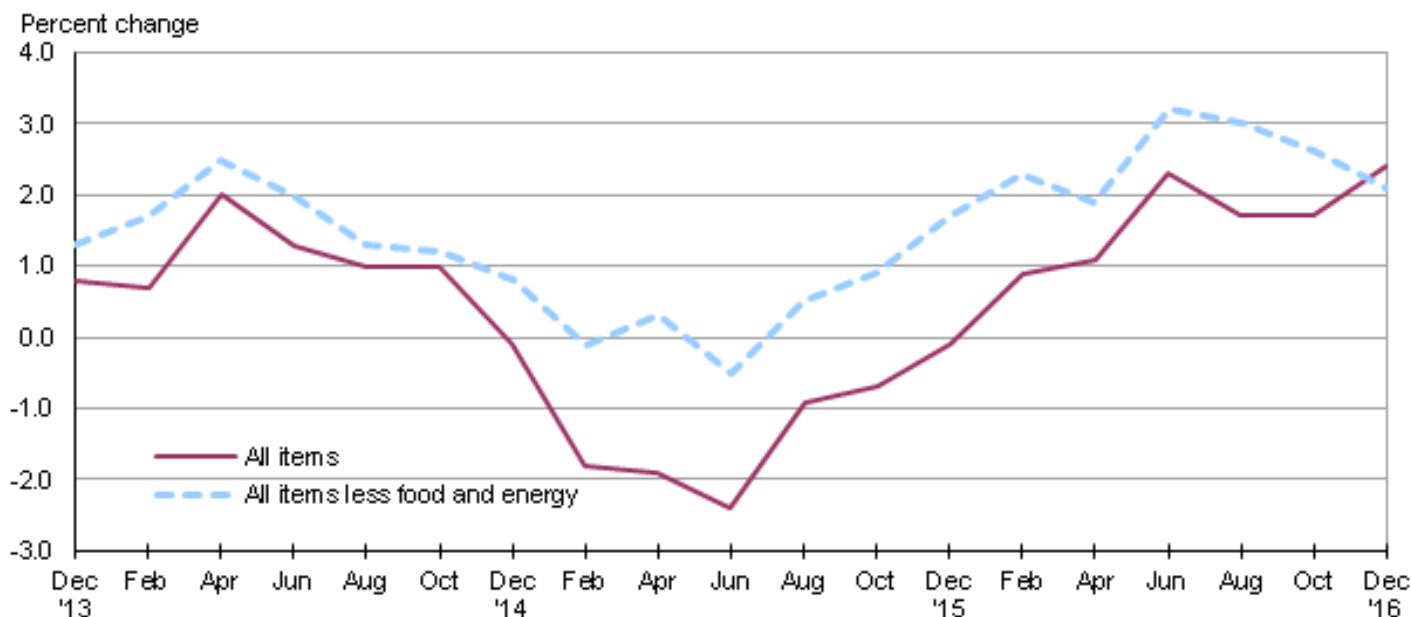
Consumer Price Index, Detroit-Ann Arbor-Flint — December 2016

Local prices rose 2.4 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Detroit-Ann Arbor-Flint area fell 0.6 percent from October to December, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Charlene Peiffer noted that the food index declined 0.7 percent, while the energy index rose 0.2 percent over the bi-monthly period. The index for all items less food and energy decreased 0.6 percent from October to December. Among the indexes within the all items less food and energy category, prices were lower for apparel, shelter, and education and communication. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect the impact of seasonal influences.)

Over the past 12 months, the Detroit all items CPI-U increased 2.4 percent. (See [chart 1](#) and [table A](#).) The energy index rose 11.0 percent over the year, primarily due to increases in gasoline prices. The index for all items less food and energy rose 2.1 percent over the year. (See [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, Detroit, December 2013–December 2016



Source: U.S. Bureau of Labor Statistics.

Food

Food prices decreased 0.7 percent from October to December following a 0.4-percent decrease over the previous bi-monthly period. Of the two components within the food index, prices for food at home (groceries) declined 1.1 percent and prices for food away from home (restaurant, cafeteria, and vending purchases) were unchanged.

Over the year, food prices in the Detroit area decreased 0.8 percent. Grocery prices fell 2.0 percent and prices for food away from home decreased 1.0 percent over the year.

Energy

The energy index for Detroit rose 0.2 percent from October to December. The utility (piped) gas service index rose 5.5 percent, while electricity costs fell 2.1 percent and gasoline prices declined 0.7 percent over the two-month period.

From December 2015 to December 2016, overall energy prices increased 11.0 percent. Prices for gasoline rose 22.9 percent over the year. The electricity index and the utility (piped) gas service index also rose by 4.9 and 1.5 percent respectively, but contributed little to the energy index's movement.

All items less food and energy

The index for all items less food and energy decreased 0.6 percent from October to December. Among the index's components, prices were lower for apparel (-6.2 percent), shelter (-0.6 percent), and education and communication (-1.4 percent). The index for recreation rose 1.6 percent over the two-month period.

Over the year, the index for all items less food and energy rose 2.1 percent. Among the index's components, shelter, medical care, and recreation recorded increases of 2.9, 4.7, and 5.0 percent, respectively.

Table A. Detroit CPI-U 2-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2012		2013		2014		2015		2016	
	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month
February	0.6	3.9	1.1	1.9	1.1	0.7	-0.7	-1.8	0.3	0.9
April	0.6	2.1	0.0	1.3	1.3	2.0	1.2	-1.9	1.4	1.1
June	-0.8	0.4	1.2	3.3	0.5	1.3	0.0	-2.4	1.2	2.3
August	1.2	1.5	-0.7	1.3	-1.0	1.0	0.6	-0.9	-0.1	1.7
October	0.5	2.4	-0.1	0.7	-0.1	1.0	0.1	-0.7	0.2	1.7
December	-0.7	1.4	-0.7	0.8	-1.8	-0.1	-1.2	-0.1	-0.6	2.4

The February 2017 Consumer Price Index for Detroit is scheduled to be released on Wednesday, March 15, 2017.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population.

The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force..

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/pdf/homch17.pdf.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **Note: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The **Detroit-Ann Arbor-Flint, Mich.** consolidated area covered in this release is comprised of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties in Michigan.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Detroit-Ann Arbor-Flint, MI (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Oct. 2016	Nov. 2016	Dec. 2016	Dec. 2015	Oct. 2016	Nov. 2016
Expenditure category						
All items	224.271	-	222.983	2.4	-0.6	-
All items (1967=100)	666.628	-	662.798	-	-	-
Food and beverages	221.079	-	219.707	-0.6	-0.6	-
Food	220.371	-	218.929	-0.8	-0.7	-
Food at home	210.381	208.540	208.145	-2.0	-1.1	-0.2
Food away from home	236.197	-	236.115	1.0	0.0	-
Alcoholic beverages	224.875	-	224.577	2.4	-0.1	-
Housing	208.073	-	207.387	2.6	-0.3	-
Shelter	236.257	236.224	234.908	2.9	-0.6	-0.6
Rent of primary residence(1)	241.424	241.106	242.366	2.9	0.4	0.5
Owners' equiv. rent of residences(1)(2)	231.929	232.581	233.531	3.1	0.7	0.4
Owners' equiv. rent of primary residence(1)(2)	231.929	232.581	233.531	3.1	0.7	0.4
Fuels and utilities	245.030	-	248.254	3.5	1.3	-
Household energy	190.659	191.963	192.395	3.2	0.9	0.2
Energy services(1)	195.461	196.487	196.627	3.6	0.6	0.1
Electricity(1)	235.917	231.220	230.845	4.9	-2.1	-0.2
Utility (piped) gas service(1)	140.138	147.229	147.912	1.5	5.5	0.5
Household furnishings and operations	116.786	-	115.694	-1.0	-0.9	-
Apparel	122.082	-	114.490	3.3	-6.2	-
Transportation	227.855	-	226.222	4.0	-0.7	-
Private transportation	227.355	-	225.928	4.8	-0.6	-
Motor fuel	205.218	190.808	203.764	22.7	-0.7	6.8
Gasoline (all types)	204.071	189.656	202.613	22.9	-0.7	6.8
Gasoline, unleaded regular(3)	204.320	188.814	202.726	23.3	-0.8	7.4
Gasoline, unleaded midgrade(3)(4)	244.829	232.370	243.443	21.7	-0.6	4.8
Gasoline, unleaded premium(3)	220.496	209.468	219.820	20.8	-0.3	4.9
Medical care	426.754	-	424.586	4.7	-0.5	-
Recreation(5)	116.649	-	118.560	5.0	1.6	-
Education and communication(5)	146.468	-	144.394	-1.4	-1.4	-
Other goods and services	402.064	-	401.877	1.1	0.0	-
Commodity and service group						
All items	224.271	-	222.983	2.4	-0.6	-
Commodities	173.185	-	170.940	1.7	-1.3	-
Commodities less food & beverages	148.298	-	145.727	3.3	-1.7	-
Nondurables less food & beverages	179.078	-	175.200	8.5	-2.2	-
Durables	112.865	-	111.562	-2.9	-1.2	-
Services	276.668	-	276.247	2.8	-0.2	-
Special aggregate indexes						
All items less medical care	216.078	-	214.823	2.2	-0.6	-
All items less shelter	222.570	-	221.288	2.2	-0.6	-
Commodities less food	151.094	-	148.572	3.2	-1.7	-
Nondurables	200.009	-	197.317	3.4	-1.3	-
Nondurables less food	182.065	-	178.376	8.0	-2.0	-
Services less rent of shelter(2)	334.063	-	334.750	2.7	0.2	-
Services less medical care services	267.087	-	266.870	2.9	-0.1	-
Energy	201.263	195.656	201.628	11.0	0.2	3.1
All items less energy	229.332	-	227.855	1.7	-0.6	-
All items less food and energy	231.538	-	230.052	2.1	-0.6	-

Note: See footnotes at end of table.

Footnotes(1) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(2) Index is on a December 1982=100 base.

(3) Special index based on a substantially smaller sample.

(4) Indexes on a December 1993=100 base.

(5) Indexes on a December 1997=100 base.

- Data not available.

NOTE: Index applies to a month as a whole, not to any specific date. Data not seasonally adjusted.